

**House File 133 - Introduced**

HOUSE FILE 133

BY HUNTER

**A BILL FOR**

1 An Act providing for a worker shortage loan forgiveness  
2 program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.115 Worker shortage loan  
2 forgiveness program.

3 1. A worker shortage loan forgiveness program is  
4 established to be administered by the commission. An  
5 individual is eligible for the program if the individual  
6 graduated from a school district or accredited nonpublic school  
7 in this state on or after January 1, 2010, is a resident of  
8 the state, and successfully completed a vocational-technical  
9 or career option program or graduated with an associate degree  
10 from a community college established pursuant to chapter 260C  
11 or graduated with a baccalaureate degree or postbaccalaureate  
12 degree from an institution of higher education governed by  
13 the state board of regents or from an accredited private  
14 institution, and the individual meets either of the following  
15 conditions:

16 a. Is employed and residing in this state and has been  
17 employed and residing in this state for not less than two  
18 consecutive years within three years of successfully completing  
19 a vocational-technical or career option program or achieving an  
20 associate degree from a community college.

21 b. Is employed and residing in this state and has been  
22 employed and residing in this state for not less than four  
23 consecutive years within five years of graduating with a  
24 baccalaureate degree or postbaccalaureate degree from an  
25 institution of higher education governed by the state board of  
26 regents or from an accredited private institution.

27 2. Each applicant for loan forgiveness shall, in accordance  
28 with the rules of the commission, do the following:

29 a. Complete and file an application for worker shortage  
30 loan forgiveness. The individual shall be responsible for  
31 the prompt submission of any information required by the  
32 commission.

33 b. File a new application and submit information as  
34 required by the commission annually on the basis of which the  
35 applicant's eligibility for the renewed loan forgiveness will

1 be evaluated and determined.

2     *c.* Complete and return on a form approved by the commission  
3 an affidavit of eligibility verifying that the applicant met  
4 the requirements of subsection 1.

5     3. The annual amount of worker shortage loan forgiveness  
6 shall not exceed the following:

7     *a.* For an individual who meets the conditions of  
8 subsection 1, paragraph "a", the combined resident tuition  
9 rate established for the two years following the individual's  
10 successful program completion or graduation from the community  
11 college, or one hundred percent of the individual's total  
12 federally guaranteed Stafford loan amount under the federal  
13 family education loan program or the federal direct loan  
14 program and any private student loan issued by a lender  
15 that meets standards prescribed by the commission including  
16 principal and interest, whichever amount is less.

17     *b.* For an individual who meets the conditions of  
18 subsection 1, paragraph "b", the combined resident tuition  
19 rate established for institutions of higher learning governed  
20 by the state board of regents for the four years following  
21 the individual's graduation from the regents university or  
22 accredited private institution, or one hundred percent of the  
23 individual's total federally guaranteed Stafford loan amount  
24 under the federal family education loan program or the federal  
25 direct loan program and any private student loan issued by  
26 a lender that meets standards prescribed by the commission  
27 including principal and interest, whichever amount is less.

28     4. The commission shall submit in a report to the general  
29 assembly by January 1, annually, the number of individuals  
30 who received loan forgiveness pursuant to this section, the  
31 postsecondary institutions from which the individuals graduated  
32 or successfully completed a vocational-technical or career  
33 options program, where in the state program participants are  
34 employed, program participants' employment classifications  
35 or types of employment, the amount paid to each program

1 participant, and other information identified by the commission  
2 as indicators of outcomes from the program.

3 5. The commission shall adopt rules pursuant to chapter 17A  
4 to administer this section.

5

EXPLANATION

6 This bill creates a worker shortage loan forgiveness program  
7 to be administered by the college student aid commission. The  
8 program is open to individuals who graduated from an Iowa  
9 high school in 2010 or later, are employed and reside in the  
10 state, and successfully completed a vocational-technical or  
11 career option program or received a degree from an accredited  
12 postsecondary institution in the state.

13 The individual must also have been employed and resided  
14 in this state for a period of two consecutive years within  
15 three years of successfully completing a vocational-technical  
16 or career option program or achieving an associate degree  
17 from a community college, or must have been employed and  
18 resided in this state for a period of four consecutive years  
19 within five years of graduating with a baccalaureate degree  
20 or postbaccalaureate degree from a regents university or  
21 accredited private institution.

22 In the case of an individual who attended a community  
23 college, the total amount of worker shortage loan forgiveness  
24 shall not exceed the combined resident tuition rate established  
25 for the two years following the individual's successful program  
26 completion or graduation from the community college, or 100  
27 percent of the individual's total federal loan program and  
28 private student loan amount including principal and interest,  
29 whichever amount is less.

30 In the case of an individual who attended a regents  
31 university or accredited private institution, the annual  
32 amount of worker shortage loan forgiveness shall not exceed  
33 the combined resident tuition rate established for regents  
34 universities for the four years following the individual's  
35 graduation, or 100 percent of the individual's total federal

1 loan program and private student loan amount including  
2 principal and interest, whichever amount is less. The  
3 individual is eligible for the loan forgiveness program for not  
4 more than four consecutive years.

5 The bill requires the commission to submit a report to the  
6 general assembly by January 1, annually, with information  
7 identified as indicators of outcomes from the program.